

**U.S. Department of Justice**  
*United States Attorney*  
*Western District of New York*

*Further inquiries: (716) 843-5814*

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*138 Delaware Avenue*  
*Buffalo, New York 14202*

# **PRESS RELEASE**

November 18, 2005

**RE: UNITED STATES v. WALTER J. BUCHHOLZ**

Acting United States Attorney Kathleen M. Mehlretter announced that Walter J. Buchholz, 68, of Rumson Road in Amherst, New York, was sentenced today to 18 months imprisonment and was ordered by U.S. District Judge John T. Elfvin to make \$308,000 in restitution to Dish Network.

Assistant U.S. Attorney Paul J. Campana said Buchholz pled guilty June 10<sup>th</sup> in Buffalo to mail fraud and violating the Digital Millenium Copyright Act (DMCA), both felony charges. The guilty pleas and sentence followed investigations by the Cyber Crime Squads of the FBI offices in San Jose, California, and Buffalo, New York. A two-count indictment had been returned in San Jose on September 29, 2004, where Buchholz was charged with violating the DCMA and a federal statute prohibiting the unauthorized manufacture and distribution of Satellite access devices. Facing federal charges in Buffalo as well on account of the FBI's investigation here, Buchholz elected have the San Jose

charges transferred to Buffalo and to plead guilty here to the Digital Millenium Copyright Act offense, and to the mail fraud charge he faced in Buffalo for related conduct.

Both charges involved piracy of satellite television programming offered by Dish Network to paying customers, and trafficking in the devices necessary to steal satellite programming. According to Campana and Assistant U.S. Attorney Mark Krotoski of the Computer Hacking and Intellectual Property Unit (CHIP) in the U.S. Attorney's Office in San Jose, and as set forth in the plea agreements signed by the defendant, Dish Network offered entertainment and informational programming to homes and businesses on a subscription and pay-per-view basis. DISH Network electronically "scrambled" its satellite transmissions in order to prevent unauthorized viewing of its programming. The encrypted satellite signals were decrypted by conditional access cards called "Smart Cards." Counterfeit or unauthorized Smart Cards would enable users to steal and view the satellite programming without paying subscriber fees. Buchholz admitted to manufacturing and distributing reprogrammed and unauthorized Smart Cards, which were used to steal satellite programming from DISH Network.

As a result of trafficking in these devices, Buchholz unlawfully received approximately \$308,000 from July 2002 through September 2004.

The guilty pleas resulted from investigations by the Cyber Squads of the Federal Bureau of Investigation in San Jose, California, and, in Buffalo, under the direction of Special Agent In-Charge Peter J. Ahearn.